Top 25 general merchandisers

Sales rank	Company	Advertising	Sales
1	Sears, Roebuck & Co.	$707,916,000	$16,990,000,000
2	K mart Corp.	319,300,000	14,204,381,000
3	J. C. Penney Co.	320,150,000	12,806,000,000
4	F. W. Woolworth Co.	169,796,000	7,218,000,000
5	Federated Department Stores	188,813,000	6,300,700,000
6	Montgomery Ward & Co.	182,000,000	5,497,000,000
7	Dayton-Hudson Corp.	84,613,000	4,033,536,000
8	May Department Stores	97,560,000	3,149,807,000
9	Wickes Corp.	44,000,000	2,876,973,000
10	Carter Hawley Hale Stores	68,710,000	2,633,000,000
11	Rapid American Corp.	16,028,000	2,603,900,000
12	R. H. Macy & Co.	113,644,000	2,373,531,000
13	Allied Stores Corp.	106,528,000	2,268,000,000
14	Associated Dry Goods Corp.	129,185,000	1,952,000,000
15	Walgreen Co.	43,000,000	1,850,000,000
16	Zayre Corp.	61,497,000	1,798,200,000
17	Wal-Mart Stores	26,427,000	1,643,199,000
18	Gimbel Brothers	30,000,000	1,320,500,000
19	Mercantile Stores Co.	20,427,000	1,108,000,000
20	Marshall Field & Co.	26,567,000	1,013,000,000
21	SCOA Industries	15,534,000	941,713,000
22	G. C. Murphy Co.	20,932,000	880,000,000
23	Caldor	14,811,000	666,530,000
24	Roses Stores	17,000,000	526,288,000
25	Levitz Furniture Co.	41,274,000	524,600,000

Source: Westport Marketing Group

Top 25 grocery retailers

Sales rank	Company	Advertising	Sales
1	Safeway Stores	$151,026,000	$15,102,673,000
2	Kroger Co.	120,873,000	10,316,741,000
3	Great Atlantic & Pacific Tea Co.	88,000,000	6,989,529,000
4	Lucky Stores	47,827,000	6,468,682,000
5	American Stores Co.	70,162,000	6,260,000,000
6	Winn-Dixie Stores	43,340,000	5,388,978,000
7	Southland Corp.	28,380,000	4,782,605,000
8	Jewel Cos.	47,597,000	4,155,750,000
9	Grand Union Co.	52,834,000	3,526,700,000
10	Albertson's Inc.	17,049,000	3,039,129,000
11	Supermarkets General	33,247,000	2,629,200,000
12	Publix Supermarkets	16,850,000	2,168,000,000
13	Dillon Cos.	17,718,000	2,077,265,000
14	Stop & Shop Cos.	29,595,000	2,032,930,000
15	Vons Grocery Co.	18,700,000	1,650,000,000
16	Giant Food	14,000,000	1,483,476,000
17	Fisher Foods	12,689,000	1,412,682,000
18	Waldbaum Inc.	11,500,000	1,271,624,000
19	First National Supermarkets	17,537,000	1,259,700,000
20	S. M. Flickinger Co.	4,833,000	1,185,000,000
21	Pantry Pride Supermarkets	12,310,000	1,127,067,000
22	Borman's	10,156,000	984,145,000
23	Fred Meyer Inc.	17,791,000	972,818,000
24	Schnucks Markets	6,000,000	600,000,000
25	Allied Supermarkets	2,906,000	534,833,000

Source: Westport Marketing Group

Fifty top retailers spend $3.8 billion in advertising

BY LOUIS J. HAUGH

The nation's 50 leading retailers invested $3.8 billion in advertising and promotion in 1980, an increase of 7.2% over 1979. At the same time, their sales climbed to $185.6 billion, a 9.1% jump over the previous year.

The figures underscore a degree of caution displayed by these 50 companies—25 general merchandisers and 25 supermarket operations. Compared with 1979, when advertising increases outpaced sales increases, the advertising-to-sales ratio dipped for general merchandisers during the year, while the ratio for supermarkets remained constant for the third consecutive year.

Some experts believe that these giant retailers were caught in a profit squeeze because of inflation and chose to increase their ad outlays judiciously.

■ The figures cited here were obtained in a survey of the 50 companies, as well as from various trade and industry sources. Last year's survey, conducted in a similar manner, showed that the top retailers spent $3.5 billion in advertising in 1979, as sales reached the $169 billion level.

In 1980, 11 of the top 50 invested more than $100,000,000 in advertising. In terms of sales, 41 of them recorded more than $1 billion. These companies are giant advertisers. Eleven of the top 50 retailers invest more than $100,000,000 in advertising annually.

Because the bulk of these retailers' advertising is in local media, most of them were not profiled in the 100 Leading National Advertisers issue of Advertising Age (Sept. 10). Sears, Roebuck & Co., K mart Corp. and J.C. Penney Co. are No. 2, No. 5 and No. 45, respectively, among the leading national spenders. Yet 24 of the other retailers invested more in total advertising than Mazda Motors of America, the 100th largest national advertiser.

Among the top 25 general merchandisers, sales last year were up $8.4 billion or 9.5%, over 1979 and advertising outlays were up 6.7% to $178,917,000. Sales totaled $97.2 billion, and the advertising-to-sales ratio was 2.9%, down from 3.02% in 1979. It was still higher than the 2.8% recorded in 1978, but that year's figure was generally regarded as the exception. In 1978, Sears drastically reduced its ad expenditures.

■ The leader among the general merchandise spenders was Sears, which reduced its national and local spending by 1.5% to $707,900,000 last year. Also cutting back last year was troubled Montgomery Ward & Co., a unit of Mobil Corp. Ward's reduced its ad outlays by an estimated 10% to $180,000,000.

K mart, meanwhile, increased its ad spending by 8.2% to $319,300,000. J.C. Penney recorded a 15.2% increase to $320,200,000, and Federated Department Stores came in with an 8.5% increase to $188,800,000.

Among the leading supermarkets during 1980, sales increased by 8.4%, or $7.3 billion, to a total of $87.4 billion, as advertising increased by 8.9%, or $73,287,000, to $892,700,000.

The advertising-to-sales ratio for these supermarkets continued at 1.92%, although their profits were under sustained economic pressure.

■ Each of the top five supermarket chains reported increased advertising outlays. The No. 1 supermarket spender, Safeway Stores, increased its spending to $151,026,000, up 10.6% over the year earlier.

Other leading spenders were Kroger Co., up 11.9% to $120,873,000; Great Atlantic & Pacific Tea Co., $88,000,000, up 14.3%; American Stores Co., $70,000,000, up 4.5%; and Lucky Stores, $47,827,000, up 11.2%.

The top five supermarket operations outpaced the rest of their category by increasing ad spending an average of 10.5% on sales increases that averaged 9.1%. The leading five general merchandisers, however, lagged behind the rest of their category, as their ad outlays increased an average of 4.2% on sales increases averaging 6.1%.#

Pacesetters are up, down and all around

BY LOUIS J. HAUGH

Spotting trends among the top retailers in the U.S. is a difficult, if not dicey, exercise. These giant companies, faced by increased costs and consumer resistance to higher prices, have reacted in widely divergent ways.

What is clear, at least among general merchandisers, is that continued consumer spending and confidence has buoyed sales. Among supermarket operations, the consumer has, in some instances, traded down, reflecting these companies' decisions to offer "no frills" or generic items. But even these general observations are subject to debate.

In the supermarket category, a slow-growth business at best, a new breed of high price stores have reported impressive sales gains in the face of an over-all industry trend in recent years to no-frills.

■ In Chicago, for example, the Dominick's chain has promoted higher price food brands and personal service. The division of Fisher Foods was sold back to its former owner earlier this year after it generally outpaced its parent in sales growth and profit.

Chains in places such as St. Louis, Cedar Rapids, Ia., and New York have also successfully promoted the higher price end of the market.

Their stores carry more items and have fancy and imported gourmet selections.

Other food store operations are reacting with more special departments and more services. For example, Shopwell Inc., New York, and Stop & Shop Cos., Boston, have both added special shops such as bakery, flower, butcher, deli or fancy produce.

■ One key to measuring food store performance is the number of turns the inventory takes during the year.

For a typical store, the inventory is turned over an average of 25 times per year, with average sales of $7 per sq. ft. per week and $12 in sales per customer.

Supermarket operations also have to make certain that they detect all the various shifts in consumer attitudes quickly. Kroger Co., for example, interviewed 250,000 shoppers over the last two years as part of its continuing

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